(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) No, Sir.

(c) and (d) Yes, Sir. The details are as under:

In the Finance Bill 2009-2010 Government has proposed:

(i) Extension of sunset clause for deduction in respect of export profits under section 10A of the Income Tax Act by one more year till 31.03.2011.

(ii) Weighted deduction of 150% on expenditure incurred for in-house R and D.

(iii) Safe harbour approach being formulated for transfer pricing related issues.

Interest charged on car loans by SBI

†1823. SHRI RAVI SHANKAR PRASAD:
SHRI SHIVANAND TIWARI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India (SBI) has decided to charge interest on car loans at 8 per cent;

(b) if so, when this decision was taken;

(c) whether it is proposed to decrease the interest rate on other loans also; and

(d) if so, the details of other proposals?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) Yes, Sir. For car loans, the State Bank of India (SBI) has introduced interest rate of 8% per annum fixed for the 1st year and 10% per annum fixed rate for the 2nd and the 3rd years. From the 4th year, the interest rate will be reset to the normal car loan rates.

(b) The decision to reduce the rate was taken on 21.06.2009 and was implemented from 01.07.2009.

(c) and (d) State Bank Advance Rate (SBAR) has been revised downwards by 50 bps from 12.25% p.a. to 11.75% p.a. with effect from the 29th June, 2009. The revised rates SBAR is applicable to all new as well as existing advances, including existing term loans (other than existing fixed interest rate loans). In addition, interest rates have been reduced for home loans @ 8% per annum fixed for the first year. The SBI is also offering reduced interest rates on SME loans.

Mandate of the SIU

1824. SHRI NAND KISHORE YADAV:
SHRI KAMAL AKHTAR:

Will the Minister of FINANCE be pleased to state:

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†Original notice of the question was received in Hindi.